

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service in 2006, And to Reflect That Increase in Rates.

Application 04-12-014
(Filed December 21, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
DENYING IN PART AND GRANTING IN PART
THE WESTERN MANUFACTURED HOUSING COMMUNITY
ASSOCIATION'S MOTION TO ADD ISSUES**

Summary

This ruling denies the Western Manufactured Housing Community Association (WMA) request to add, for the consideration in this general rate case (GRC), the issue of fair and reasonable ways to mitigate the cost to mobile home park (MHP) owners of converting existing submetered systems to directly metered service. This ruling grants the WMA request to add the issue of utility-provided billing services for MHPs. A prehearing conference is set for May 6, 2005 to consider a procedural schedule for the billing services issue.

WMA's Motion

On March 23, 2005, WMA filed its motion seeking a ruling that two issues are within the scope of Phase 1 of Southern California Edison's (SCE) test year 2006 GRC and should be addressed in this proceeding. The two issues identified by WMA are as follows:

1. Are there fair and reasonable ways to mitigate the cost to MHP owners of converting existing submetered systems to directly metered service? (conversion issue)
2. SCE should provide an analysis of the costs, benefits and feasibility of providing bill calculation services to MHP owners, examples of the appropriate tariff language and an estimate of the rates necessary to recover the full costs of such service from MHP owners. (billing issue)

According to WMA, these issues were the subject of the Commission's investigation into the master meter discount in Rulemaking (R.) 03-03-017 and Investigation (I.) 03-03-018. WMA states that in D.04-11-033, the Commission directed that these issues be considered on a case-by-case basis outside the rulemaking/investigation and that it now seeks to properly include them in this proceeding.

The WMA motion is similar to its motion filed on February 15, 2005 in A.04-06-024, the application of Pacific Gas and Electric Company (PG&E) to revise its electric marginal costs, revenue allocation, and rate design. In that proceeding WMA's request was denied. A February 28, 2005 ALJ ruling in that proceeding indicated that the conversion issue was to be addressed in a new proceeding that the Commission has not yet been initiated. A March 10, 2005 ALJ ruling deferred the billing issue to PG&E's test year 2007 GRC.

On April 6, 2005, SCE filed a response to the motion, stating that both issues are not properly includable in either Phase 1 or Phase 2 of its test year 2006 GRC. SCE argues that inclusion of either issue would unduly affect the already established procedural schedule. SCE states that it makes sense to address the conversion issue in a generic proceeding and that the billing issue should be addressed either in its test year 2009 GRC or in a generic proceeding.

Discussion

Proper consideration of either the conversion or billing issue will likely require a significant allowance of time for (1) the preparation and submittal of initial testimony, responsive testimony and possibly rebuttal testimony, (2) evidentiary hearing, and (3) opening and reply briefs. Such consideration cannot be accomplished within the timeframe of the current procedural schedule for this proceeding, which was included in the Assigned Commissioner's Scoping Ruling issued on March 15, 2005. By that schedule, ORA has submitted its testimony on April 14, 2005. Testimony from other intervenors is due on May 6, 2005; rebuttal testimony is due on May 21, 2005; and evidentiary hearing is scheduled to begin on June 6, 2005.

The conversion issue was considered, but not fully developed in R.03-03-017/I.03-03-0-18. The active parties in that proceeding filed a motion seeking to establish a separate proceeding to address whether there are fair and reasonable ways to mitigate the cost to MHP owners of converting existing submetered systems to directly-metered service. The parties contended that the issue would be complex and wide-ranging, and involve questions that would require significant discovery, hearings and briefing. For this reason, it appears that consideration of the conversion issue in SCE's current GRC would unduly affect the established procedural schedule. D.04-11-033 denied the parties' motion to establish a separate proceeding and stated this issue is reserved for consideration in a future proceeding.¹ The conversion issue should therefore be addressed when that future proceeding is identified and instituted.² WMA's

¹ See D.04-11-033, Ordering Paragraph 13, as modified by D.05-04-031.

² Rather than addressing this issue in a specific utility proceeding, as requested by WMA, the Commission may wish to consider it in a generic proceeding, such as a rulemaking. A generic proceeding may result in more consistent policies and treatment of the affected utilities.

request to add the conversion issue for consideration in this GRC should be denied.

Regarding the billing issue, in D.04-11-033, the Commission stated:

“The utilities are far more knowledgeable about how to calculate utility bills than the MHP owners. Therefore, having the utilities offer bill calculation services to MHP owners should be considered as a possible way to ensure that tenants are correctly billed, and receive any discounts or refunds to which they are entitled. To do this, it will be necessary to consider the costs and benefits, as well as any other relevant matters. Therefore, we will require the utilities to provide an analysis, in their next revenue requirement proceedings, of the costs, benefits, and feasibility of providing bill calculation services. The utilities will also be required to provide examples of the appropriate tariff language, and an estimate of the rates necessary to recover the full costs of the services from the MHP owners. With this information, the matter can be fully considered in those proceedings.”³

The billing issue is appropriate for consideration in the revenue requirement phase of the GRC. Indications are that PG&E will address the billing issue for both electric and gas service as part of its test year 2007 GRC.⁴ Arguably, the next revenue requirement proceeding for SCE would be its next filed GRC, probably for test year 2009. Even though D.04-11-033 was issued on November 19, 2004 and mailed on November 24, 2004, both of which dates were in advance of SCE’s GRC application filing on December 21, 2004, the timeframe in which SCE could have developed the required analysis of billing service costs, benefits and feasibility and included it in its showing for the test year 2006 GRC would have been prior to the October 22, 2004 acceptance of its notice of intent to file the GRC application. However, delaying consideration of this issue for SCE

³ D.04-11-033, *mimeo.*, p. 31. Also, see Ordering Paragraph 12.

⁴ See pages 3-4 of ALJ Mattson’s Ruling, dated 3/10/05 in A.04-06-024.

until its next GRC for test year 2009, at the earliest, is not in the public interest. A timelier implementation of the directives of D.04-11-033 should be accomplished for SCE by considering the issue now, as part of its current GRC. WMA's request to add the billing issue for consideration in this GRC should be granted.

As indicated above, inclusion of the billing issue will affect the procedural schedule. A prehearing conference will be held on May 6, 2005 to consider the schedule and other matters related to inclusion of the billing issue in this GRC. SCE and WMA should file prehearing conference statements by May 4, 2005 indicating estimates of time for the preparation of testimony (initial testimony by SCE, responsive testimony by WMA and rebuttal testimony for SCE), the factual bases for these estimates and a proposed procedural schedule.

IT IS RULED that:

1. The motion of the Western Manufactured Housing Community Association (WMA) to add issues for consideration in Southern California Edison Company's (SCE) test year 2006 general rate case is denied in part and granted in part.
2. WMA's request to add the issue of fair and reasonable ways to mitigate the cost to mobile home park (MHP) owners of converting existing submetered systems to directly metered service is denied.
3. WMA's request to add the issue of utility-provided billing services for MHPs is granted.
4. A prehearing conference to consider the procedural schedule for the billing issue shall be held on Friday, May 6, 2005, at 10:00 a.m., in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

5. SCE and WMA shall file prehearing conference statements by May 4, 2005. The statements shall include estimates of time to prepare testimony, the factual bases for the estimates, and a proposed procedural schedule.

Dated April 22, 2005, at San Francisco, California.

/s/ DAVID K. FUKUTOME
David K. Fukutome
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Denying in Part and Granting in Part the Western Manufactured Housing Community Association's Motion to Add Issues on all parties of record in this proceeding or their attorneys of record.

Dated April 22, 2005, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.